

GILLETTE U.K. LIMITED

Annual Report and Financial Statements

For year ended 30 June 2015



GILLETTE U.K. LIMITED

Annual Report and Financial Statements

For the year ended 30 June 2015

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GILLETTE U.K. LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

B D Young
A J Appleton
C M McAlinden (resigned 4 September 2015)
H Waters (resigned 2 February 2015)
N M De Lacy (resigned 7 July 2014)
H M Tucker (appointed 6 January 2015)
H Yilmaz (appointed 24 September 2015)

COMPANY SECRETARY

A J Appleton

REGISTERED OFFICE

The Heights
Brooklands
Weybridge
Surrey
United Kingdom
KT13 0XP

REGISTERED OFFICE OF ULTIMATE PARENT COMPANY

The Procter & Gamble Company
1 Procter & Gamble Plaza
Cincinnati
Ohio 45201
USA

BANKERS

Citibank Centre
25 Canada Square
London
United Kingdom
E14 5LB

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Newcastle upon Tyne
United Kingdom

GILLETTE U.K. LIMITED

STRATEGIC REPORT

The directors present their Annual Report and the audited financial statements for the year ended 30 June 2015. Following the introduction of new reporting regulations this now includes a Strategic Report, including a business review and description of risks and uncertainties. These disclosures were included in the Directors' Report in prior years.

BUSINESS REVIEW

The company made a profit before tax during the year of £8,491,000 (2014: £7,471,000) and a post-tax profit of £8,638,000 (2014: £6,719,000), as shown in the Profit and Loss Account on page 7. Net assets have increased from £50,826,000 to £59,358,000 mainly as a result of profit for the year.

The Procter & Gamble Company manages its operations on a global business unit basis and for this reason the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the European region of The Procter & Gamble Company, which includes the company, is discussed in the Procter & Gamble group's Annual Report, which does not form part of this report.

PRINCIPAL RISKS AND UNCERTAINTIES

Competitive pressure is a continuing risk for the company. The main risk is to lose business to other service providers, if they are more efficient and cost effective. The company manages this risk by providing added value services to its customers, and develops and maintains strong relationships with them. In addition the company runs ongoing cost control and reduction programmes.

The company is financed through its parent. It therefore has no third party finance exposure. Group risks are discussed in the group's Annual Report, which does not form part of this report.

Liquidity risk is managed on a group-wide basis. The group operates a system whereby any excess cash held by an individual company is transferred to a global cash pool. Similarly if the company requires additional cash resource it can draw down funds from the cash pool. It has a right to receive the funds held within the cash pool within one day's notice. We are not aware of any circumstances that would impact on the ability of the cash pool to provide the funds we require to remain in operation for the foreseeable future.

The directors have considered the principal risks and uncertainties of the company along with the expected future trading, cash flows and available liquidity, taking into account possible changes in trading performance.

The directors believe that the company is well-placed to manage its business risks successfully despite the current economic conditions. Thus the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and financial statements.



B D Young
Director

21st March 2016

GILLETTE U.K. LIMITED

DIRECTORS' REPORT

PRINCIPAL ACTIVITIES

The company is a wholly-owned subsidiary of The Procter & Gamble Company and operates as part of the group's European region. The principal activity of the company in the year was the manufacturing, packaging and storage of grooming products. The directors are not aware, at the date of this report, of any likely major change in the activity of the company in the next year.

DIRECTORS

The directors who served during the year and up to the date of this report are shown on page 1.

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

DIVIDENDS AND RESERVES

No dividend was paid in the year (2014: £Nil). In 2015 a profit of £8,638,000 (2014: £6,719,000) was transferred to reserves.

GOING CONCERN AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The directors set out in the Strategic Report the reason for the adoption of the going concern basis in preparing the Annual Report and financial statements for the company along with policies in relation to financial and liquidity risk.

ELECTIVE RESOLUTION

On 22 May 2001, the shareholders passed an elective resolution, pursuant to the Companies Act 1985:

- i) To dispense with the laying of financial statements and reports before the company in general meeting.
- ii) To dispense with the holding of Annual General Meetings.

This resolution remains in place pursuant to the Companies Act 2006.

FUTURE PROSPECTS

It is the intention of the directors to continue to develop the business.

AUDITOR

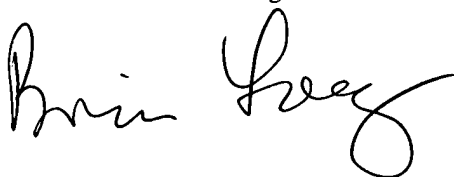
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself /herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Pursuant to an elective resolution dated 16 April 2002 the company has dispensed with the obligation to appoint an auditor annually under section 386 of the Companies Act 1985 and an Annual General Meeting will not be held unless the shareholder so requires. This resolution remains in place pursuant to the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board.



B D Young
Director

21st March 2016

GILLETTE U.K. LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GILLETTE U.K. LIMITED

We have audited the financial statements of Gillette U.K. Limited for the year ended 30 June 2015, which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge required by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GILLETTE U.K. LIMITED (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



David Johnson BA F.C.A (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Newcastle upon Tyne, United Kingdom
23rd March 2016

GILLETTE U.K. LIMITED

PROFIT AND LOSS ACCOUNT For the year ended 30 June 2015

	Note	2015 £'000	2014 £'000
TURNOVER	2	31,427	31,520
COST OF SALES		(28,506)	(28,137)
OPERATING PROFIT	3	2,921	3,383
Other interest receivable and similar income	6	5,767	4,292
Interest payable and similar charges	7	(197)	(204)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		8,491	7,471
Tax on profit on ordinary activities	8	147	(752)
PROFIT FOR THE FINANCIAL YEAR	15	8,638	6,719

All results are derived from continuing activities.

GILLETTE U.K. LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**
For the year ended 30 June 2015

	Note	2015 £'000	2014 £'000
Profit for the financial year		8,638	6,719
Actuarial gain/(loss) on pension assets re P&G Scheme	17	5,853	(2,823)
Actuarial gain/(loss) on pension assets re Gillette Scheme	17	52,292	(21,125)
Actuarial gain/(loss) on pension assets re Gillette Supplemental Scheme	17	57	(243)
Movement in Pension surplus not recognised	17	(57,170)	17,337
Deferred tax on defined benefit scheme		(1,226)	651
Deferred tax on defined benefit scheme - reduction in the deferred tax rate		44	(374)
Current tax on defined benefit scheme		-	38
Total recognised gains relating to the year		8,488	180

GILLETTE U.K. LIMITED

BALANCE SHEET

As at 30 June 2015

		2015 £'000	2014 £'000
	Note		
FIXED ASSETS			
Tangible assets	9	32,122	31,342
Investments	10	-	-
		<u>32,122</u>	<u>31,342</u>
CURRENT ASSETS			
Debtors	11	38,913	36,493
		<u>38,913</u>	<u>36,493</u>
CREDITORS: amounts falling due within one year	12	(3,528)	(4,779)
		<u>(3,528)</u>	<u>(4,779)</u>
NET CURRENT ASSETS		<u>35,385</u>	<u>31,714</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		67,507	63,056
PROVISIONS (excluding pension liability)	13	(1,736)	(1,224)
		<u>(1,736)</u>	<u>(1,224)</u>
NET ASSETS EXCLUDING PENSION LIABILITY		65,771	61,832
Net Pension Liability	17	(6,413)	(11,006)
		<u>(6,413)</u>	<u>(11,006)</u>
NET ASSETS		<u>59,358</u>	<u>50,826</u>
CAPITAL AND RESERVES			
Called-up share capital	14	6,211	6,211
Other reserves	15	10,280	10,280
Profit and loss account	15	42,867	34,335
		<u>59,358</u>	<u>50,826</u>
TOTAL SHAREHOLDER'S FUNDS	15	<u>59,358</u>	<u>50,826</u>

The financial statements of Gillette U.K. Limited, registered number 00254912, were approved by the Board of Directors and authorised for issue on 21st March 2016.

Signed on behalf of the Board of Directors



B D Young
Director

GILLETTE U.K. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below. All accounting policies have been applied consistently throughout the current and preceding year.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable law and United Kingdom accounting standards.

The company is exempt from the requirement of FRS1 'Cash Flow Statements (Revised 1996)' to present a cash flow statement as it is a wholly owned subsidiary of The Procter & Gamble Company, its ultimate parent company, which prepares consolidated financial statements which are publicly available.

The company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

As the company is a wholly owned subsidiary of The Procter & Gamble Company, the company has taken advantage of the exemption contained in FRS 8 'Related Party Disclosures' and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of The Procter & Gamble Company, within which the company is included, can be obtained from the address given in note 20.

Going Concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report and the Directors' Report on pages 2 to 3. The Strategic Report also sets out the principal risks and uncertainties facing the company and the policies and processes for managing them.

Liquidity is managed on a group basis across the entire Procter and Gamble group. The directors are not aware of any circumstances whereby there would be insufficient liquidity in the Procter and Gamble group to allow the company to meet its obligations as they fall due.

The directors have considered the company's future trading, cash flows, and available liquidity, taking into account possible changes in trading performance.

The directors believe that the company is well-placed to manage its business risks successfully despite the current economic conditions. Thus the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and financial statements.

Investments

Investments are stated at cost less any provision for impairment.

Tangible fixed assets

Depreciation is not provided on freehold land or assets under construction. On other assets it is provided on cost in equal annual instalments over the estimated lives of the assets. The rates of depreciation are as follows:

Freehold buildings	2% - 20% per annum
Plant and other equipment	5% - 50% per annum

Foreign currencies

Transactions denominated in foreign currencies are recorded in Sterling at the actual exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange ruling at the balance sheet date and the gains or losses on translation are included in the Profit and loss Account.

GILLETTE U.K. LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2015

1. ACCOUNTING POLICIES (continued)

Leases

Operating lease rentals are charged to the Profit and loss Account on a straight line basis over the period of the lease. Assets acquired under a finance lease are capitalised and the outstanding future lease obligations are shown in creditors.

Taxation

Corporation tax payable is provided on taxable profits at the current rate. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on all timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are not discounted.

Turnover

Turnover represents the invoiced value of goods and services provided in the normal course of business, and excludes value added tax. Turnover is recognised on the despatch of goods or on the provision of services.

Pension costs

The company operates a number of defined benefit pension schemes. The funds are valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the contribution rates (see note 18).

Under FRS17, defined benefit pension scheme assets are measured using fair values. Defined benefit pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term to the liability.

Each defined benefit pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full, net of deferred tax, and presented on the face of the balance sheet. The movement in the scheme surplus or deficit is split between operating and financial items in the Profit and loss Account and the statement of total recognised gains and losses.

The full service cost of the defined benefit pension scheme provision is charged to operating profit. The net impact of the unwinding of the discount rate on scheme liabilities and the expected return of the scheme assets is charged / credited to other finance costs. Any difference between the expected rate of return on assets and that actually achieved is charged through the statement of total recognised gains and losses. Similarly, any differences that arise from experience or assumption changes are charged through the statement of total recognised gains and losses.

Share-based Payments

The company has applied the requirements of FRS20 'Share-based Payments'. In accordance with the transitional provisions, FRS20 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 January 2006.

GILLETTE U.K. LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2015

1. ACCOUNTING POLICIES (continued)

Share-based Payments (continued)

Fair value is measured by use of the Binomial pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

A liability equal to the portion of the goods or services received is recognised at the current fair value determined at each balance sheet date for cash-settled share-based payments.

2. TURNOVER

Geographical Segments	2015 £'000	2014 £'000
Turnover by destination		
Europe	26,838	26,488
USA	4,589	5,032
	<hr/>	<hr/>
Total Turnover	31,427	31,520
	<hr/>	<hr/>

All turnover originated in the UK, and relates to its principal activity.

3. OPERATING PROFIT

	2015 £'000	2014 £'000
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible fixed assets:		
Owned	4,308	3,964
Loss on disposal of tangible fixed assets	351	624
Operating lease rentals:		
Hire of plant and machinery	23	30
Hire of land and buildings	4	79
	<hr/>	<hr/>

Auditor's remuneration of £27,000 (2014: £27,000) was incurred for the audit of the company's statutory financial statements. This has been paid by a fellow subsidiary in both the current and prior year.

GILLETTE U.K. LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2015

4. REMUNERATION OF DIRECTORS

	2015 £'000	2014 £'000
Directors' emoluments		
Emoluments (excluding pension contributions and awards under share option schemes and other long-term incentive schemes)	108	110
Pension contributions	27	24

Five (2014: four) of the directors accrued benefits under a defined benefit pension scheme in respect of qualifying services to the company.

Five (2014: three) directors exercised share options during the year.

5. STAFF NUMBERS AND COSTS

The average monthly number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees 2015	2014
Administrative	68	78
Manufacturing	125	139
	193	217

	2015 £'000	2014 £'000
The aggregate payroll costs of these persons were as follows:		
Wages and salaries	8,919	9,550
Social security costs	976	984
Other pension costs (note 17)	3,950	3,747
Share based payments (note 18)	19	17
Contribution to employee share plan (note 18)	166	178
Restricted Stock Unit expenses (note 18)	25	22
	14,055	14,498

Other pension costs include only those items reported above operating profit. Items reported elsewhere have been excluded.

6. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2015 £'000	2014 £'000
Net finance income on pension scheme (note 18)	5,636	4,147
On amounts receivable from group companies	131	145
	5,767	4,292

GILLETTE U.K. LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2015

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £'000	2014 £'000
Net finance expense on pension scheme (note 18)	197	204

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of the tax charge for the year

	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Corporation tax:				
Current year charge @ 20.75% (2014: 22.5 %)	-		38	
Total current tax charge		-		38
Deferred tax:				
Current year (credit)/charge - non FRS17	(108)		1,097	
Current year credit - FRS17	(35)		(1)	
Adjustment in respect of prior periods – non FRS17	(9)		(312)	
Current year charge/(credit) due to rate change	5		(70)	
Total deferred tax (credit)/charge		(147)		714
Tax (credit)/charge on profit on ordinary activities		(147)		752

GILLETTE U.K. LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2015

8. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

(b) Factors affecting the tax charge for the year:

	2015	2014
	£'000	£'000
Current tax reconciliation		
Profit on ordinary activities before taxation	8,491	7,471
Tax on profit at standard UK corporation tax rate of 20.75% (2014: 22.5%)	1,762	1,681
Effects of:		
Net of non-taxable income and expenses not deductible for tax purposes	136	(12)
Deferred tax movement in the year	136	(1,028)
Group relief (received)/surrendered to another group company	(1,027)	319
Reduction in the deferred tax rate	5	(70)
Deferred tax unprovided on pension scheme surplus not recognised	(1,012)	(852)
Total current tax charge (see (a))	-	38

Finance Act 2013 was substantively enacted on 2 July 2013 and provided for a reduction in the main rate of corporation tax from 21% to 20% with effect from 1 April 2015. Accordingly this 1% corporation tax rate reduction, from 21% to 20%, has been reflected in these financial statements.

Summer Finance Act 2015 includes a corporation tax rate reduction to 19% with effect from 1 April 2017 and a further corporation tax rate reduction to 18% with effect from 1 April 2020, this was substantively enacted on 26 October 2015. As these changes in the corporation tax rate were not substantively enacted by the balance sheet date, the rate reductions are not yet reflected in the financial statements in accordance with FRS19, as these relate to non-adjusting events occurring after the reporting period. The impact of both these rate reductions will be reflected in the next reporting period and are estimated to reduce our UK deferred tax asset at 30 June 2015 by £93,000.

On 16 March 2016 the Government announced in the 2016 Budget Report that there would be a further reduction in the main rate of corporation tax from 18% to 17% from April 1, 2020. This has not yet been substantively enacted.

GILLETTE U.K. LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2015

9. TANGIBLE FIXED ASSETS

	Land and buildings £'000	Plant and equipment £'000	Assets under construction £'000	Total £'000
Cost				
At 1 July 2014	21,369	46,869	1,986	70,224
Additions	-	-	5,439	5,439
Disposals	(89)	(1,507)	-	(1,596)
Transfers from assets under construction	375	4,836	(5,211)	-
	<u>21,655</u>	<u>50,198</u>	<u>2,214</u>	<u>74,067</u>
At 30 June 2015				
Depreciation				
At 1 July 2014	8,033	30,849	-	38,882
Charge for the year	572	3,736	-	4,308
Disposals	(59)	(1,186)	-	(1,245)
	<u>8,546</u>	<u>33,399</u>	<u>-</u>	<u>41,945</u>
At 30 June 2015				
Net book value				
At 30 June 2015	<u>13,109</u>	<u>16,799</u>	<u>2,214</u>	<u>32,122</u>
At 30 June 2014	<u>13,336</u>	<u>16,020</u>	<u>1,986</u>	<u>31,342</u>

The net book value of land and buildings comprises:

	2015 £'000	2014 £'000
Freehold	13,109	13,249
Long leasehold	-	87
	<u>13,109</u>	<u>13,336</u>

Included in freehold land and buildings is land at a cost of £2,657,000 (2014: £2,655,000) which is not depreciated.

GILLETTE U.K. LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2015

10. FIXED ASSET INVESTMENTS

	2015 £'000
Cost	
At 1 July 2014 and 30 June 2015	4,213
Provisions for impairment	
At 1 July 2014 and 30 June 2015	4,213
Net book value	
At 30 June 2014 and 30 June 2015	-

Shares in group undertakings

The Company's investments represent the following significant holdings:

Company	Country of registration	Class	%
Gillette Management LLC	United States of America	Ordinary	100

Gillette Management LLC is a research and development company.

11. DEBTORS

	2015 £'000	2014 £'000
Amounts owed by group undertakings	37,647	35,110
Other debtors	593	785
Prepayments and accrued income	673	598
	<u>38,913</u>	<u>36,493</u>

12. CREDITORS: Amounts falling due within one year

	2015 £'000	2014 £'000
Trade creditors	2,433	2,079
Amounts owed to group undertakings	262	1,752
Other taxation and social security costs	283	484
Accruals and deferred income	550	464
	<u>3,528</u>	<u>4,779</u>

GILLETTE U.K. LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2015

13. PROVISIONS FOR LIABILITIES

	Balance 1 July 2014	(Credited)/ charged to Profit and Loss Account	Utilised	Balance June 2015
	£'000	£'000	£'000	£'000
Deferred tax	790	(113)	-	677
Employee benefits	352	(27)	-	325
Early retirement allowances	-	34	(1)	33
Reorganisation and restructuring cost	82	652	(158)	576
Employee litigations	-	125	-	125
	1,224	671	(159)	1,736

Employee benefits provision

Provisions totaling £325,000 relate to life cover liabilities which will be utilized over the next 25 years.

The reorganisation and restructuring cost provisions consist of:

Provision for separations expected to be settled within less than one year (£576,000).

Deferred tax liability

	Provided 2015 £'000	Provided 2014 £'000
The amounts of deferred taxation provided in the financial statements are:		
Capital allowances in excess of depreciation	726	861
Stock options	(12)	(41)
Other short-term timing differences	(37)	(30)
	677	790

A deferred tax liability of £677,000 (2014: £790,000) has been recognised in 2015.

A deferred tax asset of £1,603,000 (2014: £2,752,000) has been recognised in respect of the FRS17 pension liability (see note 18).

The main rate of corporation tax was reduced in the year, accordingly this reduction has been applied when calculating deferred tax assets and liabilities as at 30 June 2015. The impact of the future rate reduction to 18%, which was substantively enacted on 26 October 2015 and which will be reflected in the next reporting period, is estimated to reduce our deferred tax asset at 30 June 2015 by £93,000 (see note 8).

14. CALLED-UP SHARE CAPITAL

	2015 £'000	2014 £'000
Called-up, allotted and fully paid:		
Equity: 6,211,133 ordinary shares of £1 each	6,211	6,211

GILLETTE U.K. LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2015

15. COMBINED STATEMENT OF RESERVES AND MOVEMENT IN TOTAL SHAREHOLDER'S FUNDS

	Called-up share capital £'000	Other Reserve £'000	Profit and Loss Account £'000	Total £'000
Balance at 1 July 2013	6,211	10,280	34,115	50,606
Profit for the year	-	-	6,719	6,719
Credit to reserves in respect of FRS20	-	-	39	39
Net recognised gains and losses in respect of FRS17	-	-	(6,538)	(6,538)
	<u>6,211</u>	<u>10,280</u>	<u>34,335</u>	<u>50,826</u>
Balance at 30 June 2014	6,211	10,280	34,335	50,826
Profit for the year	-	-	8,638	8,638
Credit to reserves in respect of FRS20	-	-	44	44
Net recognised gains and losses in respect of FRS17	-	-	(150)	(150)
	<u>6,211</u>	<u>10,280</u>	<u>42,867</u>	<u>59,358</u>
Balance at 30 June 2015	<u>6,211</u>	<u>10,280</u>	<u>42,867</u>	<u>59,358</u>

Other reserves at 30 June 2015 consist of a capital contribution made by Gillette Industries Limited, to Gillette U.K. Limited on 21 December 1982.

16. FINANCIAL COMMITMENTS

- (a) Capital commitments at the end of the financial year, for which no provision has been made, are as follows:

	2015 £'000	2014 £'000
Contracted	622	829
Authorised but not contracted	1,246	1,659
	<u>1,868</u>	<u>2,488</u>

- b) Annual commitments under non-cancellable operating leases are as follows:

	2015 £'000 Land and buildings £000	2014 £'000 Land and buildings £000
Operating leases which expire:		
Within one year	-	-
In the second to fifth years	4	-
	<u>4</u>	<u>-</u>

GILLETTE U.K. LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2015

17. PENSION SCHEMES

The group operates a number of defined benefit pension schemes, the main schemes being The Procter & Gamble Pension Fund, The Gillette UK Pension Scheme and the Gillette UK Supplemental Pension Scheme.

With an effective date of 30 June 2010, the Procter & Gamble Pension Fund and the Gillette UK Pension Scheme agreed an administrative merger, with the new merged scheme termed the Procter & Gamble Pension Fund. The assets and liabilities of the enlarged scheme continue to be managed separately on a sectionalised basis. Accordingly, the disclosures are presented separately below, split between the Procter & Gamble section and the Gillette UK section. Comparatives and historic narrative information is given in respect of each section, being the information previously disclosed when the sections were separate schemes.

The aggregated surpluses and deficits recognised for the sections are as follows:

	2015 £'000	2014 £'000
Gillette UK section surplus/(liability)	-	-
Procter & Gamble section liability	(2,711)	(7,255)
Gillette UK Supplemental Pension Scheme liability	(3,702)	(3,751)
	<hr/>	<hr/>
Total scheme liability, net of related deferred tax liability	(6,413)	(11,006)
	<hr/> <hr/>	<hr/> <hr/>

A. The Procter & Gamble section

On 1 July 2003, the Final Salary section of the Procter & Gamble Pension Fund was closed to new entrants and a new Defined Contribution section was created for new joiners.

The Procter & Gamble Pension Fund is a defined benefit pension scheme. A full actuarial valuation was carried out at 30 June 2014.

The pension cost figures used in these financial statements comply with the current pension cost accounting standard FRS17. The group provides funded pension arrangements to the majority of full-time employees through a defined benefit scheme and the related costs are assessed in accordance with the advice of a professionally qualified actuary.

The actuarial valuation discussed above has been updated for the purposes of FRS17 to incorporate the use of fair values for investments and the use of a corporate bond rate to discount liabilities. This was carried out at 30 June 2014 and has been updated to reflect the circumstances at the balance sheet date. The major assumptions used by the actuary were:

	30 June 2015 % pa	30 June 2014 % pa	30 June 2013 % pa
Price inflation	3.25	3.50	3.50
Rate of increase in pay	3.25	3.50	3.50
Rate of increase of pension in payment*	3.00	3.25	3.25
Rate of increase for deferred pension- pre 2009	2.25	2.50	2.50
Rate of increase for deferred pension –post 2009	2.25	2.50	2.50
Discount rate	3.71	4.30	4.70
Expected return on assets	3.71	5.75	5.90

*In excess of any Guaranteed Minimum Pension (GMP) element and subject to maximum limits stated in the scheme rules.

GILLETTE U.K. LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2015

17. PENSION SCHEMES (continued)

A. The Procter & Gamble section (continued)

Weighted average life expectancy on retirement at age 65 is:

	Years	
	Male	Female
Current Pensioners	22.9	24.9
Future Pensioners	24.6	26.8

The assets and liabilities of the Procter & Gamble section operated by the company at 30 June 2015, along with the amounts recognised in the profit & loss account are shown below:

Employee benefit obligations

The amounts recognised in the balance sheet are as follows:

	2015 £'000	2014 £'000
Present value of funded obligations	(45,010)	(47,717)
Fair value of section assets	41,621	38,648
Deficit	(3,389)	(9,069)
Related deferred tax asset	678	1,814
Net liability	(2,711)	(7,255)

The amounts recognised in the profit or loss are as follows:

	2015 £'000	2014 £'000
Current service cost	(833)	(781)
Interest on obligation	(1,937)	(2,040)
Expected return on section assets	2,058	2,120
Total pension expense recognised in the profit & loss account	(712)	(701)
Actual return on section assets	3,752	3,174

The amounts recognised in the statement of total recognised gains and losses are as follows:

	2015 £'000	2014 £'000
Actuarial gain/(losses) arising during the year	5,853	(2,823)
Cumulative loss recognised in statement of total recognised gains and losses	(10,203)	(16,056)

GILLETTE U.K. LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2015

17. PENSION SCHEMES (continued)

A. The Procter & Gamble section (continued)

Changes in the present value of the defined benefit obligation are as follows:

	2015	2014
	£'000	£'000
Opening defined benefit obligation	(47,717)	(42,205)
Service cost	(833)	(781)
Interest cost	(1,937)	(2,041)
Actuarial gains / (losses)	1,234	(3,877)
Experience gain / (loss) on liabilities	2,925	-
Expenses paid	27	28
Benefits paid	1,291	1,159
	<hr/>	<hr/>
Closing defined benefit obligation	(45,010)	(47,717)
	<hr/>	<hr/>

Changes in the fair value of section assets are as follows:

	2015	2014
	£'000	£'000
Opening fair value of section assets	38,648	35,788
Expected return	2,058	2,120
Actuarial gains	1,694	1,054
Contributions by employer	538	873
Expenses paid	(27)	(28)
Benefits paid	(1,291)	(1,159)
	<hr/>	<hr/>
Closing fair value of section assets	41,620	38,648
	<hr/>	<hr/>

The company contribution rates vary by section. The contributions to the Procter & Gamble section were 19.5% of pensionable earnings up to 1 June 2013 and 24.9% onwards

The company expects to contribute £581,000 to the Procter & Gamble section in the year ended 30 June 2016.

The major categories of plan assets as a percentage of total plan assets are as follows:

	2015	2014
Equity Securities	60%	63%
Corporate Bonds	20%	18%
Government Bonds	20%	18%
Property	0%	0%
Cash	0%	1%
	<hr/>	<hr/>
Total	100%	100%
	<hr/>	<hr/>

GILLETTE U.K. LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2015

17. PENSION SCHEMES (continued)

A. The Procter & Gamble section (continued)

Amounts for the current and previous four periods are as follows:

	2015	2014	2013	2012	2011
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	(45,009)	(47,717)	(42,205)	(36,213)	(33,806)
Section assets	41,620	38,648	35,788	30,682	30,034
Deficit	(3,389)	(9,069)	(6,417)	(5,531)	(3,772)
Experience adjustments on section liabilities	1,234	(3,877)	(4,333)	(533)	3,239
Experience adjustments on section assets	1,694	1,054	3,470	(1,692)	2,686

B. Gillette UK section

The Gillette UK Pension Scheme was a defined benefit pension scheme. A full actuarial valuation was carried out at 30 June 2014. As set out above, the scheme is now a section of the Procter & Gamble Pension Fund.

The pension cost figures used in these financial statements comply with the current pension cost accounting standard FRS17. The company provides funded pension arrangements to the majority of full-time employees through a defined benefit scheme and the related costs are assessed in accordance with the advice of a professionally qualified actuary.

The actuarial valuation discussed above has been updated for the purposes of FRS17 to incorporate the use of fair values for investments and the use of a corporate bond rate to discount liabilities. This was carried out as at 30 June 2014 and has been updated to reflect the circumstances at the balance sheet date.

As part of the merger agreement with the Procter & Gamble Pension Fund, the participating employers of the Gillette UK Pension Scheme agreed to pay additional funding payments into the Gillette UK Pension Scheme. As a result of these payments, the FRS17 allocations have been reviewed and funding adjustments booked where appropriate.

The major assumptions used by the actuary were:

	June	30 June	30 June
	2015	2014	2013
	% pa	% pa	% pa
Price inflation	3.25	3.50	3.50
Rate of increase in pay	3.25	3.50	3.50
Rate of increase of pension in payment*	3.00	3.25	3.25
Rate of increase for deferred pension – pre 2009	2.25	2.50	2.50
Rate of increase for deferred pension – post 2009	2.25	2.50	2.50
Discount rate	3.71	4.30	4.70
Expected Return on Assets	3.71	5.35	5.35

*In excess of any Guaranteed Minimum Pension (GMP) element and subject to maximum limits stated in the scheme rules.

GILLETTE U.K. LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2015

17. PENSION SCHEMES (continued)

B. Gillette UK section (continued)

Weighted average life expectancy on retirement at age 65 is:

	Years	
	Male	Female
Current Pensioners	22.9	24.9
Future Pensioners	24.6	26.8

Employee benefit obligations

The amounts recognised in the balance sheet are as follows:

	2015 £'000	2014 £'000
Present value of funded obligations	(381,448)	(399,152)
Fair value of section assets	447,081	407,615
Surplus	65,633	8,463
Surplus not recognised	(65,633)	(8,463)
Net asset/(liability)	-	-

The amounts recognised in profit or loss are as follows:

	2015 £'000	2014 £'000
Current service cost	(3,006)	(2,833)
Interest on obligation	(20,380)	(19,118)
Expected return on section assets	25,895	23,185
Total	2,509	1,234
Actual return on section assets	53,524	33,895

The amounts recognised in the statement of total recognised gains and losses are as follows:

	2015 £'000	2014 £'000
Actuarial gains / (losses) arising during the year	52,292	(21,125)
Movement in surplus not recognised	(57,170)	17,337
	(4,878)	(3,788)
Cumulative loss recognised in statement of total recognised gains and losses	(86,024)	(138,316)

17. PENSION SCHEMES (continued)

GILLETTE U.K. LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2015

B. Gillette UK section (continued)

Changes in the present value of the defined benefit obligation are as follows:

	2015	2014
	£'000	£'000
Opening defined benefit obligation	(399,152)	(359,395)
Service cost	(3,006)	(2,833)
Interest cost	(20,380)	(19,118)
Actuarial gains	17,900	(31,835)
Experience gains on liabilities	6,763	-
Benefits paid	16,420	14,006
Expenses paid	7	23
	<hr/>	<hr/>
Closing defined benefit obligation	(381,448)	(399,152)
Less obligation relating to surplus not recognised	381,448	399,152
	<hr/>	<hr/>
Final closing defined benefit obligation	-	-
	<hr/>	<hr/>

Changes in the fair value of section assets are as follows:

	2015	2014
	£'000	£'000
Opening fair value of section assets	407,615	385,195
Expected return	25,895	23,185
Actuarial gains	27,629	10,710
Contributions by employer	2,369	2,554
Benefits paid	(16,420)	(14,006)
Expenses paid	(7)	(23)
	<hr/>	<hr/>
Closing fair value of section assets	447,081	407,615
Less asset relating to surplus not recognised	(447,081)	(407,615)
	<hr/>	<hr/>
Final closing fair value of section assets	-	-
	<hr/>	<hr/>

The company contribution rates vary by section. The contributions to the Gillette UK section were 35.6% of pensionable earnings up to 1 June 2013 and 46.7% onwards.

The company expects to contribute £nil to the Gillette UK section in the year ended 30 June 2016.

GILLETTE U.K. LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2015

17. PENSION SCHEMES (continued)

B. Gillette UK section (continued)

The major categories of plan assets as a percentage of total section assets are as follows:

	2015	2014
Equity Securities	50%	50%
Corporate Bonds	25%	25%
Government Bonds	25%	25%
Cash	0%	0%
Total	100%	100%

Amounts for the current and previous four periods are as follows:

	2015	2014	2013	2012	2011
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	(381,448)	(399,152)	(359,395)	(313,850)	(296,454)
Section assets	447,081	407,615	385,195	345,488	318,873
Surplus/(Deficit)	65,633	8,463	25,800	31,638	22,419
Experience adjustments on section liabilities	(17,900)	(31,835)	(38,891)	(8,267)	11,540
Experience adjustments on section assets	27,629	10,710	22,301	4,566	18,899

C. Gillette UK Supplemental Pension Scheme

On 1 July 2008 a Gillette UK Supplemental Pension Scheme balance was transferred from Gillette European Services Centre Limited as that company had ceased trading. This is in line with Gillette U.K. Limited being the primary employer of the scheme. Details of the scheme are disclosed below.

A full actuarial valuation of the Gillette UK Supplemental Pension Scheme was carried out at 30 June 2011.

The pension cost figures used in these financial statements comply with the current pension cost accounting standard FRS17. The company provides funded pension arrangements to the majority of full-time employees through a defined benefit scheme and the related costs are assessed in accordance with the advice of a professionally qualified actuary.

The actuarial valuation discussed above has been updated for the purposes of FRS17 to incorporate the use of fair values for investments and the use of a corporate bond rate to discount liabilities. This was carried out as at 30 June 2011 and has been updated to reflect the circumstances at the balance sheet date.

GILLETTE U.K. LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2015

17. PENSION SCHEMES (continued)

C. Gillette UK Supplemental Pension Scheme (continued)

The major assumptions used by the actuary were:

	30 June 2015 % pa	30 June 2014 % pa	30 June 2013 % pa
Price inflation	3.25	3.50	3.50
Rate of increase in pay	3.25	3.50	3.50
Rate of increase of pension in payment*	3.00	3.25	3.25
Rate of increase for deferred pension – pre 2009	2.25	2.50	2.50
Rate of increase for deferred pension – post 2009	2.25	2.50	2.50
Discount rate	3.71	4.30	4.70
Expected return on assets	n/a	n/a	n/a

*In excess of any Guaranteed Minimum Pension (GMP) element and subject to maximum limits stated in the scheme rules.

Weighted average life expectancy on retirement at age 65 is:

	Years	
	Male	Female
Current Pensioners	22.9	24.9
Future Pensioners	24.6	26.8

Employee benefit obligations

The amounts recognised in the balance sheet are as follows:

	2015 £'000	2014 £'000
Present value of funded obligations	(4,627)	(4,689)
Deficit	(4,627)	(4,689)
Related deferred tax asset	925	938
Net liability	(3,702)	(3,751)

The amounts recognised in profit or loss are as follows:

	2015 £'000	2014 £'000
Interest on obligation	(197)	(204)
Total	(197)	(204)

GILLETTE U.K. LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2015

17. PENSION SCHEMES (continued)

C. Gillette UK Supplemental Pension Scheme (continued)

The amounts recognised in the statement of total recognised gains and losses are as follows:

	2015	2014
	£'000	£'000
Actuarial gains / (losses) arising during the year	57	(243)
	<u>57</u>	<u>(243)</u>
Cumulative gain recognised in statement of recognised gains and losses	<u>(331)</u>	<u>(388)</u>

Changes in the present value of the defined benefit obligation are as follows:

	2015	2014
	£'000	£'000
Opening defined benefit obligation	(4,689)	(4,440)
Interest cost	(197)	(204)
Actuarial loss	57	(243)
Benefits paid	202	198
Closing defined benefit obligation	<u>(4,627)</u>	<u>(4,689)</u>

Amounts for the current and previous four periods are as follows:

	2015	2014	2013	2012	2011
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	(4,689)	(4,689)	(4,440)	(3,924)	(3,875)
Section assets	-	-	-	-	-
Deficit	(4,689)	(4,689)	(4,440)	(3,924)	(3,875)
Experience adjustments on section liabilities	57	(243)	(513)	(22)	(22)
Experience adjustments on section assets	-	-	-	-	-

D. Defined Contribution Scheme

The Group operates a defined contribution retirement benefit scheme for all employees employed post 1 July 2003. The assets of the scheme are held separately from those of the company in funds under the control of the trustees.

The total cost charged to cost of sales of £111,000 (2014: £133,000) represents contributions payable to this scheme by the company at rates specified in the rules of the plan.

There is no outstanding or prepaid contribution at the balance sheet date.

GILLETTE U.K. LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2015

18. EQUITY-SETTLED SHARE OPTION SCHEME

The company operates share option schemes for certain employees of the company. Options are exercisable at a price equal to the average quoted market price of the parent company's shares on the date of grant. The vesting period is three to five years. If the options remain unexercised after a period of ten years from the date of grant the options expire. Options are forfeited if the employee leaves the company before the options vest, excluding short term achievement awards which vest immediately at grant date.

Details of the share options outstanding during the year are as follows.

	2015	2015	2014	2014
	Number of	Weighted	Number of	Weighted
	share	average	share	average
	options	exercise	options	exercise
		price		price
		\$		\$
Outstanding at beginning of period	38,481	64.84	41,588	61.06
Granted during the period	4,611	85	5,113	78.81
Forfeited during the period	100	62.78	0	0.00
Exercised during the period	21,522	62.35	7,725	52.26
Transferred in during the period	4,292	78.89	723	61.11
Transferred out during the period	3,601	82.24	1,218	71.72
Outstanding at the end of the period	22,161	71.34	38,481	64.84
Exercisable at the end of the period	9,148	60.85	28,422	61.79

The weighted average share price at the date of exercise for share options exercised during the year was \$81.74 (£51.95). The options outstanding at 30 June 2015 had a weighted average exercise price of \$71.34 (£45.36), and a weighted average remaining contractual life of 8 years. In the year ended 30 June 2015, options were granted on 15 September and 27 February. The aggregate of the estimated fair values of the options granted on these dates were \$42,466 (£26,698). In the year ended 30 June 2014, options were granted on 13 September and 28 February. The aggregate of the estimated fair values of the options granted on those dates is \$48,719 (£29,564).

The inputs into the Binomial option pricing model are as follows:

	2015	2014
Weighted average share price	\$81.74	\$78.91
Expected volatility	15%	16%
Expected life	8	8
Risk- free rate	2.0%	2.5%
Expected dividends	3.10%	3.10%

Exercise prices on options granted have been and continue to be set equal to the market price of the underlying shares on the date of grant.

Expected volatility was determined by calculating the historical volatility of the parent company's share price over the previous 10 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The company operates a restricted stock units scheme for certain key managers; some shares granted vest immediately and some shares vest for up to a period of 6 years. The company recognised an expense of \$39,689 (£25,224) and \$35,305 (£21,601) related to restricted stock units scheme in 2015 and 2014 respectively. The outstanding value of restricted stock units to be recognised in future years is \$88,930 (£56,549).

GILLETTE U.K. LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2015

18. EQUITY-SETTLED SHARE OPTION SCHEME (Continued)

The company recognised total expenses of £44,242 and £39,211 related to equity-settled share-based payment transactions (including restricted stock units) in 2015 and 2014 respectively. In addition to the share option scheme and the restricted stock units scheme the company contributes towards an employee share plan. As there is no vesting period the contributions made are recognised immediately as an expense. The company has recognised an expense of £166,000 and £178,000 related to the employee share plan transactions in 2015 and 2014 respectively.

19. ULTIMATE AND IMMEDIATE PARENT COMPANIES

The directors regard The Procter & Gamble Company, a company incorporated in the United States of America, as the ultimate parent company, and Gillette Industries Limited, a company incorporated in the United Kingdom, as the immediate parent company.

The smallest and largest group the company is consolidated into is The Procter & Gamble Company, which is incorporated in the United States of America. Copies of the group financial statements for The Procter & Gamble Company can be obtained from 1 Procter & Gamble Plaza, PO Box 599, Cincinnati, Ohio 45202, USA.

20. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard 8 as a wholly owned subsidiary of The Procter & Gamble Company. Directors' remuneration is disclosed in note 4.